



The President's Daily Brief

November 26, 1975

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exemption category 5B(1),(2),(3)
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LATE ITEM

The Indian government is reacting very strongly to the attempt this morning to assassinate its high commissioner in Bangladesh (Page 7). The possibility of an Indian military move into Bangladesh is high,

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FOR THE PRESIDENT ONLY

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FOR THE PRESIDENT ONLY

PORTUGAL

Anti-Communists in the military appear to be in a stronger position following the rebellion yesterday by leftist paratroopers.

At last report, the government had regained control of the three air bases and the Lisbon region air force headquarters that were occupied by the rebels yesterday. The mutinous paratroopers, however, have regained control over their home base at Tancos, some 77 miles north of the capital, after temporarily losing it to loyalist forces.

Backed by several members of the Revolutionary Council--including a subdued Otelo de Carvalho--President Costa Gomes last night told the nation he had imposed a state of seige in the Lisbon military region, ordered a midnight-to-six curfew, and banned publication of all newspapers in the region today.

Despite broadcast pleas for leftists and workers to come into the streets to support the paratroopers, the only significant civilian participation was by anti-Communists in a town north of Lisbon who assisted in recapturing the local base from the rebels. The Communist Party [] took no action.

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The Communists' failure to join in the rebellion has prompted Labor Minister Tomas Rosa to speculate that the party may have encouraged the effort in the hope it might spark a counter coup from the right. The Communists presumably reasoned that the rightists would meet swift resistance and the Communists would be able to reclaim some popular support. Whatever the Communist role yesterday, the party must regard the outcome as a reversal. The party, however, still has most of its political assets.

Anti-Communists in the military, as well as the non-Communist political parties, are in a strong position to exploit the incident, just as the left exploited the abortive rightist coup last March 11. The campaign to purge radical leftist officers from the military could be given a strong boost.

Whether the anti-Communists are prepared to follow through, however, is another question. President Costa Gomes appears to have read the trend yesterday in time to side with the stronger force, but he prefers a balance of forces and may try to rein in any group that seeks to capitalize on the situation.

LEBANON

Prime Minister Karami in the past two days has intensified his attacks on President Franjiyah and Interior Minister Shamun, the two key Christians in Lebanon's government. Karami, a Muslim, has said he can do nothing to restore civil order in the face of their "hostile attitude."

In a speech to parliament yesterday, the Prime Minister condemned Christian leaders in general for their refusal to allow political reform and the references some of them have made to the possible partition of Lebanon. Karami acknowledged that his government's failure to restrict the flow of arms to all combatants had contributed to the resumption of heavy fighting, but defended his continued refusal to call in the Lebanese army.

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Shamun acknowledged publicly yesterday that his militia is involved in the current fighting. He told parliament that the private Christian militias have taken matters into their own hands because government security forces are inadequate to restore order or to prevent "destructive elements" from overthrowing the government.

The unrestrained activity of Shamun's group apparently has embarrassed even the right-wing Phalangists. Party leader Jumayyil has tried to calm Muslim tempers by playing up the importance of the national dialogue committee, and his party has issued a statement urging an end to "ideological quarrels."

The fighting between the Christian militias and the Muslim leftists remains heavy and widespread, although it has not yet reached the level of late October.

Syria may soon revive its efforts to mediate the Lebanese dispute as a result of the increased fighting and because of reports from Beirut that Egypt may attempt to negotiate a settlement.

SYRIA-ISRAEL

Damascus is taking a tough stand on the political concessions it requires in return for agreeing to another extension of the UN forces on the Golan Heights. How far the Syrians believe they can go in using the mandate as a bargaining lever is not clear. Indeed, we believe the Syrians themselves may not make a final decision on the matter until perhaps as late as next Sunday, when the mandate expires.

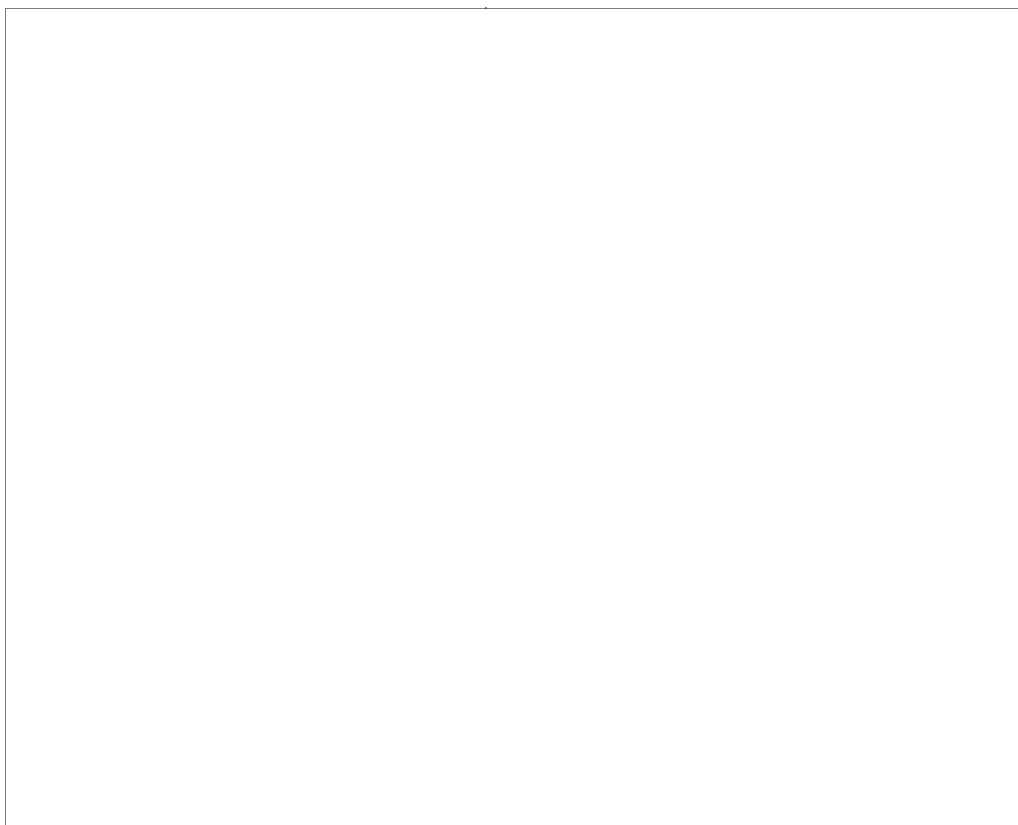
Asad has told Secretary General Waldheim that Syria wants the UN Security Council to become the main forum for future peace negotiations and the PLO to be invited to participate in its deliberations.

Asad, however, may simply accept minor changes in the wording of the renewal resolution to justify an extension of the mandate because he believes allowing the mandate to lapse would be too great a risk. Even if Asad has decided that non-renewal is an acceptable risk, we believe it is unlikely that he would at this time make military moves that might provoke a major conflict with Israel.

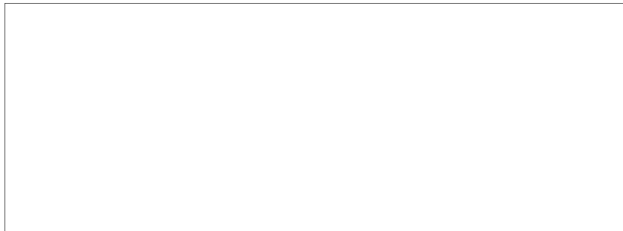
By championing the Palestinian cause as they have recently, the Syrians appear to have concluded that they can expect little from the US during the next few months and to have decided therefore to stake out a hard-line position, partly in anticipation of a long diplomatic stalemate. They are likely to continue their efforts to embarrass and isolate Egypt as well as keep the pressure on the US and Israel. At least for the time being, these tactics would help shield Asad from attack by his domestic critics and his most persistent Arab critic, Iraq.

Israeli Prime Minister Rabin reportedly told Waldheim yesterday that Israel could not accept any Syrian condition regarding the extension of the forces' mandate. The Israelis remain interested in obtaining Syrian agreement to renew and might agree to minor changes in the wording of the renewal resolution. Rabin still does not appear prepared to take the initiative and, instead, will continue to look to the US to find a way to break the deadlock.

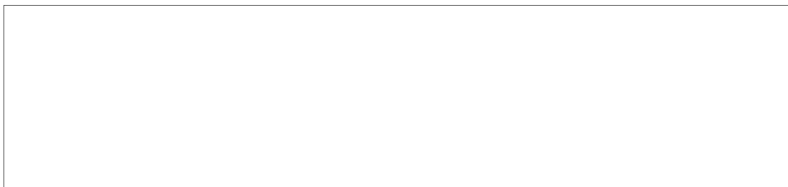
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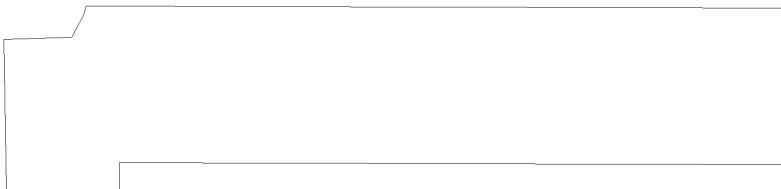
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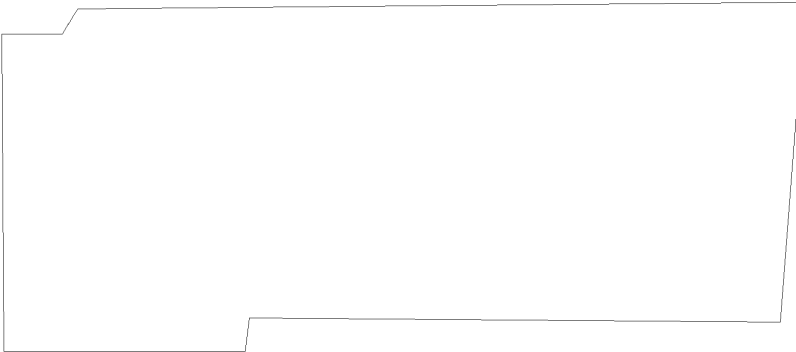
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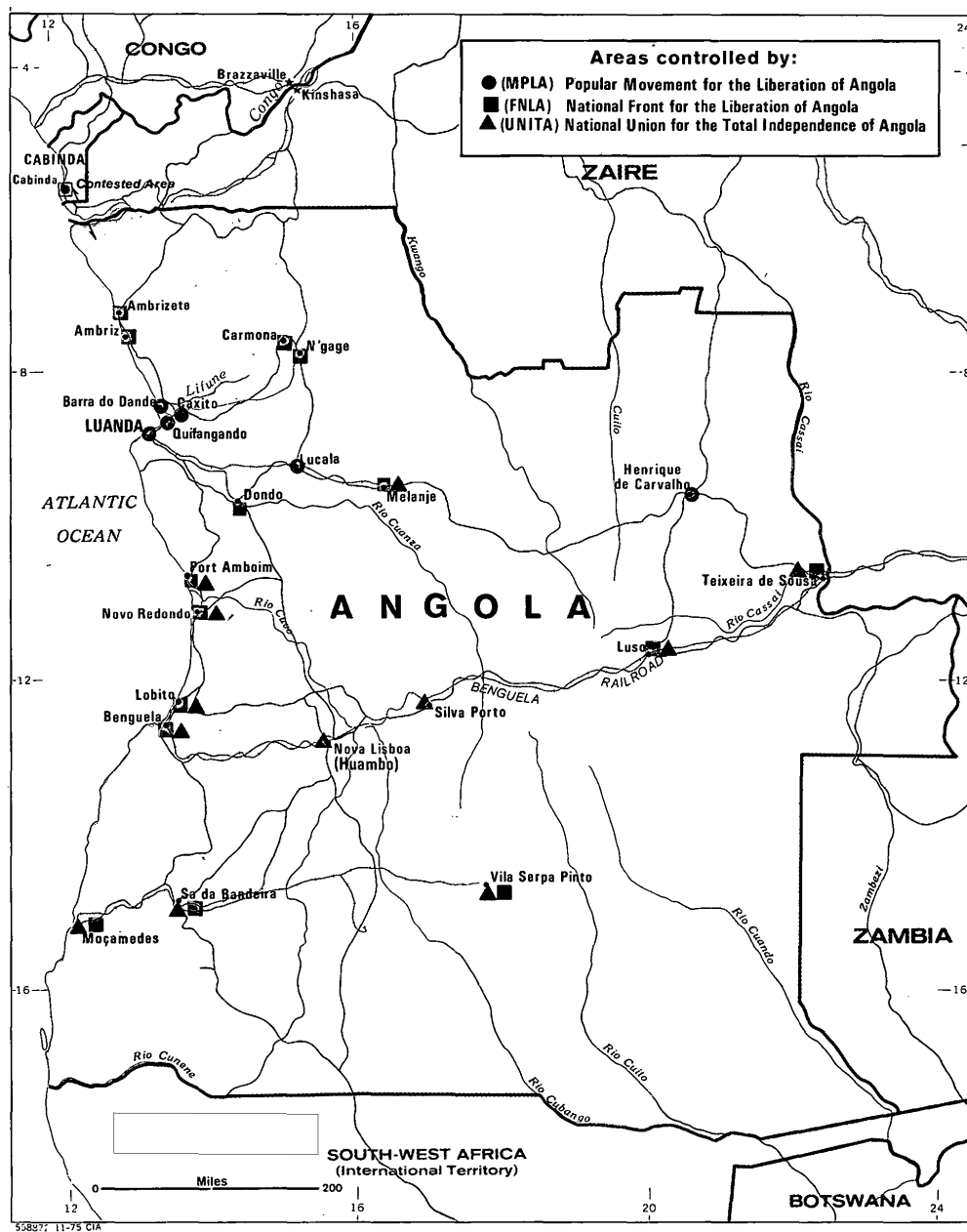
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ANGOLA

Recent military successes by forces of the Popular Movement for the Liberation of Angola north of Luanda follow the arrival this month of substantial additional military assistance from the USSR and Cuba.

the Popular Movement captured both Camito and the neighboring coastal town of Barra do Dande from the National Front last weekend.

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The loss of the two towns is a serious setback for the National Front, which has now been pushed back to a line along the Lifune River more than 40 miles from Luanda.

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We do not have late news regarding operations of the National Union column approaching Luanda from the south.

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Meanwhile, the National Front and National Union have finally announced the composition of the coalition government they proclaimed on November 11 in opposition to the Luanda-based regime headed by the Popular Movement's Agostinho Neto. According to press reports from Kinshasa, the two groups have set up a 16-man government with two co-equal prime ministers, each of whom will hold office alternately a month at a time.

The prime ministerial posts are to be filled by Johnny Eduardo Pincock of the National Front and Jose Netole of the National Union. They had been the ranking representatives of their respective groups in the transitional government that collapsed last summer.

Neither Holden Roberto nor National Union leader Jonas Savimbi will hold an official position in the arrangement. They are both unwilling to be closely identified with the fragile coalition regime, which so far has won no international recognition.

SPAIN

King Juan Carlos' initial efforts have been primarily aimed at wooing the military, apparently in the hope that firm support in the armed forces will help free his hand in the political sector.

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report that the reaction of the Spanish military to the King so far has been enthusiastic.

The King's efforts may already be paying dividends. The three service ministers reportedly contacted a leader of the extreme right to warn against using military veterans' organizations to attain political objectives. The restrained behavior of the Falangists and veterans at Franco's burial may reflect this warning.

While giving tentative signals that some degree of political liberalization will eventually emerge in Spain, Juan Carlos is also paying attention to Franco's old supporters. The King moved to placate some far rightists, who were angered by his failure to mention Franco's National Movement in his accession speech, by giving his first official audience to the National Confederation for Veterans, which includes many ultrarightists.

The Catholic Church in Spain has offered its support to the King and for evolutionary change.

The King's standing with the opposition could be improved by the announcement last night of an amnesty that will reduce prison sentences, except for convicted terrorists. More important, all death sentences have been commuted.

The first violence since the death of Franco was the assassination of the mayor of a small Basque town on Monday, apparently by members of a Basque terrorist group. This organization may fear that recent gestures by Juan Carlos and the government to accommodate regional aspirations will diminish the appeal of terrorism. The terrorists probably hope to resume the cycle of violence and repression in order to keep alive Basque resentment against the central government.

NOTES

The attempt on the life of the Indian high commissioner in Dacca early this morning will prompt New Delhi to intensify its pressure on Dacca and increases the chances that India will intervene militarily in Bangladesh.

An official spokesman in New Delhi has announced that India takes a "grave view" of the incident. The Indians have complained for several days that the government in Dacca has refused to take action to stop a growing anti-Indian campaign in Bangladesh. The spokesman linked the shooting of the high commissioner directly to Dacca's refusal to put a stop to the campaign.

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We now expect the Soviet hard currency trade deficit in 1975 to be close to \$5 billion.

A weak gold market this fall has forced Moscow to borrow heavily in Western money markets, and the Soviets are already lining up credits for 1976. If Soviet exports continue to be sluggish, Moscow may be forced to trim imports at some point next year. The USSR will finance its 1975 deficit through a combination of Western credits, gold sales, revenues from shipping and tourism, and probably a reduction in foreign exchange holdings. Arms sales should provide substantial earnings this year--perhaps \$300 to \$500 million in hard currency.

Soviet efforts to raise loans in Europe and in the US, which have shown a marked upswing since mid-year, are probably aimed at meeting next year's anticipated obligations. Grain imports, judging from purchases already concluded or anticipated, will amount to between \$3 and \$4 billion in 1976.

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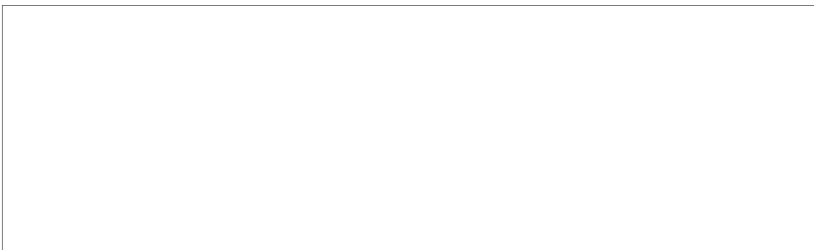
North Vietnam has intensified its demands that Thailand abandon cooperation with the US on security matters. Hanoi obviously wants to drive home this message in view of Foreign Minister Chatchai's talks in Washington.

A recent Vietnamese broadcast, for example, labeled as "nonsense" Chatchai's condemnation of Hanoi's public support for the Lao communists during Thai-Lao border clashes last week. The broadcast maintained that Bangkok was seeking to justify continued Thai "collusion" with the US. The North Vietnamese recently have gone well beyond their earlier demands for the return of the aircraft flown to Thailand last April and are now publicly pressing Bangkok to end U-2 flights from Thailand and to remove completely all the remaining vestiges of the US military presence.

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*Early this morning China placed a satellite
into orbit.*



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